GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:40
ANSWERED ON:01.03.2002
RECOVERY OF BANK LOAN
YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE be pleased to state:

(a) whether a high level meeting was held recently in which it was felt that faster recovery of bad debts needed more active and closer cooperation between banks and debt recovery tribunals;

(b) if so, the details of the recommendations made in the meeting; and

(c) the Government`s reaction thereto ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT LAID ON THE TABLE OF LOK SABHA IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO. 40 FOR ANSWER ON 01ST MARCH, 2002 TABLED BY SHRI Y.V. RAO, REGARDING RECOVERY OF BANK LOAN.

(a) to (c) In a meeting held in the Ministry on 2nd July, 2001 for faster recovery of debts the need was felt for better follow up of cases by banks in Debts Recovery Tribunals. The suggestions made in the meeting interalia included:

(i) Each Bank/ FI should nominate one nodal officer for each Debts Recovery Tribunal to ensure that required documents are produced in time and follow up action taken.

(ii) The nodal officer for each bank for each Debts Recovery Tribunal may be given the responsibility to ensure that frequent adjournments are not sought and that instructions are given to the bank lawyer(s) in time.

(iii) Nodal banks for individual Debts Recovery Tribunals may constitute a coordination committee having representation from major banks/financial institutions in the area and they should meet the Presiding Officer of the Debts Recovery Tribunal at regular intervals to sort out any infrastructure and administrative problems faced by the Debts Recovery Tribunals. Nodal banks for individual Debts Recovery Appellate Tribunals should constitute a similar coordination committee at a reasonably senior level to interact with Chairperson of Debts Recovery Appellate Tribunal at regular intervals for removing any infrastructure and administrative problems.